

CASHBUILD LIMITED

(Registration number: 1986/001503/06)

(Incorporated in the Republic of South Africa)

JSE share code: CSB

ISIN: ZAE000028320

("Cashbuild" or "the Group")

FOURTH QUARTER OPERATIONAL UPDATE AND TRADING STATEMENT – FY 2020**Operational update**

Cashbuild herewith provides its voluntary quarterly operational update.

Revenue for the fourth quarter for the Cashbuild Group was impacted by Covid-19 lockdown in several of the countries we trade in. Please see "Impact of Covid-19 pandemic" note at the end of this operational update for more detail on its impact on the Group's revenue during the 4th quarter.

Revenue for the fourth quarter (FY 2020, 13 weeks vs FY2019, 14 weeks) for the Cashbuild Group decreased by 23% when compared to the fourth quarter of the prior financial year while revenue for the financial year (FY 2020, 52 weeks vs FY2019, 53 weeks) decreased by 7%. Transactions through the tills during the fourth quarter for the Cashbuild Group decreased by 25% and decreased by 8% for the financial year.

The Cashbuild Group adopts the retail accounting calendar, which comprises the reporting period ending on the last Sunday of the month (Year ended June 2020 – 52 weeks; Year ended June 2019 – 53 weeks). Although the Group traded for 52 weeks in this financial year, it is appropriate and good practise to illustrate the comparative 52 week trading. The information below highlights the comparable trading results (52 vs 52 weeks).

52 vs 52 trading weeks:

Revenue for the fourth quarter for the Cashbuild Group was down 17% on the fourth quarter of the prior financial year, with the 22 new stores opened since 1 July 2018 contributing 3% growth, whilst the 296 existing stores reflected a decline of 20%. This, together with the growth reported in previous operational updates, equates to a year to date decrease in revenue of 5%. Transactions through the tills during the fourth quarter for the Cashbuild Group decreased by 18% to that of the comparative period, with new stores contributing a growth of 3% and existing stores declining by 21%.

A revenue performance breakdown per operating segment is reflected in the table below and reflects a 52 vs 52 week performance unless otherwise stated.

Revenue performance 4th Quarter FY2020 versus 4th Quarter FY2019					
Operating Segment		Percentage of Total Revenue	Total %	New %	Existing %
Cashbuild South Africa	Half Year	79	-	3	(3)
	Q3	79	(1)	3	(4)
	Q4	78	(18)	3	(21)
	Full Year	78	(5)	3	(8)
Cashbuild Common Monetary Areas	Half Year	5	(4)	-	(4)
	Q3	5	(2)	-	(2)
	Q4	6	(4)	-	(4)

	Full Year	6	(4)	-	(4)
Cashbuild Other *	Half Year	4	2	2	-
	Q3	5	11	3	8
	Q4	5	(10)	3	(13)
	Full Year	5	1	3	(2)
P&L Hardware South Africa	Half Year	12	(6)	3	(9)
	Q3	11	(8)	2	(10)
	Q4	11	(23)	3	(26)
	Full Year	11	(10)	3	(13)
Total Group	Half Year	100	(1)	3	(4)
	Q3	100	(1)	3	(4)
	Q4	100	(17)	3	(20)
	Full Year	100	(5)	3	(8)
	Q4 (14 Weeks FY19)	100	(23)	3	(26)
	Full Year (53 Weeks FY19)	100	(7)	3	(9)

*Botswana, Malawi and Zambia

Selling inflation was 2% at the end of June 2020 when compared to June 2019. Gross profit margin was marginally lower than those reported for the prior financial year.

During the fourth quarter the Group opened one Cashbuild store and closed one Cashbuild store at the expiration of its lease agreement. The Group also refurbished four Cashbuild stores, bringing the total number of stores trading at the end of the quarter to 318. A store breakdown by segment is reflected in the table below:

Number of stores – end of quarter four	Percentage of total	Total	New	Existing
Cashbuild South Africa	72	227	16	211
Cashbuild Common Monetary Areas	5	16	-	16
Cashbuild Other *	4	13	1	12
Cashbuild DIY Pilot stores	-	1	-	1
P&L Hardware South Africa	19	61	5	56
Total Group	100	318	22	296

*Botswana, Malawi and Zambia

Impact of Covid-19 pandemic

As reported in the 3rd quarter operational update, retailing of building materials was not classified as essential services. As a result, all Cashbuild and P&L Hardware stores as well as the Support Office, with the exception of the six stores in Swaziland, the two stores in Malawi and the three stores in Zambia, were closed for the period of the lockdown level 5. Upon publishing of the revised Regulations on 16 April 2020, Cashbuild stores in South Africa were allowed to trade under strict guidelines and reduced trading hours from Saturday, 18 April 2020. With the announcement of the risk-adjusted strategy to ease the lockdown restrictions, the SA stores were able to trade to all customers from lockdown level 4 on 1 May 2020.

Cashbuild supports the measures the South African Government and Governments of the other countries in which it trades have outlined to contain the spread of the Covid-19 virus and complies with the required regulations in regard to protection of staff and customers at its stores and support office.

In addition, Cashbuild has concluded negotiations with its landlords regarding rental reductions during the initial lockdown period, generally in line with the proposals outlined by the Property Industry Group (the relief package was revealed by a newly-formed alliance of retail property landlords in the country, known as the Property Industry Group). The Group has experienced incidents of late or short deliveries from suppliers without material impact on sales due to the adequate level of stockholding at our stores. Cashbuild also has appropriate response mechanisms in place to deal with any positive Covid-19 cases reported at its stores, resulting in deep cleaning and self-isolation of staff while the stores continue trading utilising staff from nearby stores or towns.

The table below illustrates the Group revenue per month (comparable weeks) for the 4th quarter as impacted by the various levels of lockdown, compared to the same period in the prior year.

Cashbuild Group	Weeks 40 to 43 (April)	Weeks 44 to 48 (May)	Weeks 49 to 52 (June)
4th Quarter revenue (decline) / growth per month FY2020 versus per month FY2019	(87%)	12%	13%

Trading statement

In terms of the JSE Limited Listings Requirements, companies are required to publish a trading statement as soon as they are reasonably certain that the financial results for the current reporting period will be more than 20% different than those of the prior comparative period.

Cashbuild expects earnings per share ("EPS") and headline earnings per share ("HEPS") for the year ended 30 June 2020 to decrease by more than 20% compared to EPS of 1 722 cents per share and HEPS of 1 751 cents per share achieved for the prior comparative 52 week period. These movements are after taking into account the implementation of IFRS 16 Leases which resulted in the depreciation of right of use assets and interest costs on the lease liabilities raised and the effects of Covid-19 lockdown during April 2020.

Cashbuild will provide further guidance once reasonable certainty has been established on the range of the decrease, in compliance with the JSE Listings Requirements.

Shareholders are advised that the financial information on which this trading statement and operational update is based has not been reviewed or reported on by the Group's auditors. Cashbuild's audited results for the year ended 30 June 2020 are expected to be released on SENS on or about Tuesday, 1 September 2020.

4 August 2020
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